

## TABLE OF CONTENTS

### CHAPTER Ban 1000      SALES FINANCE COMPANIES AND RETAIL SELLERS

#### PART Ban 1001      SCOPE

#### PART Ban 1002      DEFINITIONS

#### PART Ban 1003      FORMS

- Section      Ban 1003.01      Form NHBD-12, Retail Seller License Application
- Section      Ban 1003.02      Form NHBD-14, Sales Finance Company License Application
- Section      Ban 1003.03      Other Required Application Forms
- Section      Ban 1003.04      Form NHBD-15, Sales Finance Company Annual Report

#### PART Ban 1004      LICENSING

- Section      Ban 1004.01      Application Fees
- Section      Ban 1004.02      Application Acceptance
- Section      Ban 1004.03      Changes to Application Information;  
Changes in Ownership
- Section      Ban 1004.04      Licensing Decisions
- Section      Ban 1004.05      Display of License
- Section      Ban 1004.06      Annual Report Requirements

#### PART Ban 1005      BALLOON PAYMENT LOANS

- Section      Ban 1005.01      Balloon Contract Disclosures
- Section      Ban 1005.02      Balloon Payment Refinancing Disclosures
- Section      Ban 1005.03      Disclosure Requirements
- Section      Ban 1005.04      Written Offer and/or Acceptance Required

**Adopt Ban 1000 to read as follows:**

CHAPTER Ban 1000 SALES FINANCE COMPANIES AND RETAIL SELLERS

Statutory Authority: RSA 361-A:2, VI

PART Ban 1001 SCOPE

Ban 1001.01 Procedure Governed. Chapter Ban 1000 governs sales finance companies, retail sellers, and holders of retail installment contracts pursuant to RSA 361-A.

PART Ban 1002 DEFINITIONS

Ban 1002.01 "Applicant" means an individual or organization that has filed an application with the department pursuant to RSA 361-A.

Ban 1002.02 "Balloon retail installment contract" means "balloon retail installment contract" as defined in RSA 361-A:1, II.

Ban 1002.03 "Buyer" means "retail buyer" or "buyer" as defined in RSA 361-A:1, IX.

Ban 1002.04 "Buy here pay here" means a finance activity performed by a person who sells and provides financing of motor vehicles, including servicing of the loan.

Ban 1002.05 "Credit application" means an application by a consumer for financing a motor vehicle purchase or motor vehicle lease.

Ban 1002.06 "Department" means the New Hampshire banking department.

Ban 1002.07 "Holder" means "holder" as defined in RSA 361-A:1, VI.

Ban 1002.08 "Licensee" means a sales finance company or retail seller licensed by the bank commissioner pursuant to the provisions of RSA 361-A.

Ban 1002.09 "Motor vehicle" means "motor vehicle" as defined in RSA 361-A:1, VII.

Ban 1002.10 "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, 2 or more of the foregoing having a joint or common interest, or any other legal or commercial entity however organized.

Ban 1002.11 "Principal owners" means "primary owners" of an applicant or licensee and includes all owners of a proprietorship, partnership, estate, trust, association, privately held corporation and owners of 10% or more of a publicly held corporation, and all owners and members of a limited liability company.

Ban 1002.12 "Principal place of business" means the street address of an applicant's or licensee's primary office.

Ban 1002.13 "Retail installment contract" means "retail installment contract" as defined in RSA 361-A:1,X.

Ban 1002.14 "Retail seller" or "seller" means "retail seller" or "seller" as defined in RSA 361-A:1,XII.

Ban 1002.15 "Sales finance company" means "sales finance company" as defined in RSA 361-A:1, XIII.

Ban 1002.16 "Senior officer" means all managers of a corporation with fewer than 11 managers, and means all managers at the level of a senior vice president or above of a corporation with 11 or more managers.

Ban 1002.17 "Trade name" means the name under which the licensee will operate, as required to be registered with the New Hampshire secretary of state in accordance with RSA 349:1 and authorized for use by the New Hampshire banking department.

#### PART Ban 1003 FORMS

Ban 1003.01 Form NHBD-12, Retail Seller License Application.

- (a) An applicant for a retail seller license shall complete Form NHBD-12.
- (b) Each retail seller applicant shall provide:
  - (1) A statement of whether the application is a new application or a renewal application;
  - (2) If application is a renewal application under (1) above, the prior year's license number(s);
  - (3) Name of applicant;
  - (4) Applicant's federal tax identification number;
  - (5) A statement of whether the applicant will do business under a trade name;

- (6) If the answer under (5) above is affirmative, the following:
- a. Trade name; and
  - b. A copy of trade name registration issued by the New Hampshire secretary of state;

- (7) A statement of the applicant's business form as either:

- a. A corporation;
- b. A sole proprietorship;
- c. A general or limited partnership; or
- d. Other business entity;

- (8) If a corporation, the following:

- a. Date of incorporation;
- b. State of incorporation; and
- c. A copy of certificate of incorporation;

- (9) If the corporation is not a New Hampshire corporation, a copy of certificate of registration as a foreign corporation issued by the New Hampshire secretary of state;

- (10) The following information about the applicant's principal place of business:

- a. Street address;
- b. Mailing address;
- c. Telephone number; and
- d. Fax number, if the applicant has one;

- (11) The following information about all New Hampshire branch offices of the applicant, specifying for each:

- a. Street address;

- b. Mailing address;
- c. Name of manager; and
- d. Direct access telephone number;

(12) The following information about the applicant's president, chief executive officer, or managing partner or other person with day-to-day operational authority:

- a. Name;
- b. Title;
- c. Business address; and
- d. Telephone number;

(13) If a corporation, the following information about shareholders of 10% or more of the applicant's stock, senior officers; and directors:

- a. Names;
- b. Business addresses;
- c. Residence addresses; and
- d. Titles;

(14) If a general partnership, the following information about the general partners:

- a. Names;
- b. Business addresses;
- c. Residence addresses; and
- d. Titles;

(15) If a limited partnership, the following information about the limited partners:

- a. Names;
- b. Business addresses;
- c. Residence addresses; and
- d. Titles;

(16) If a limited liability company, the following information about the members and owners, investors, and anyone with authority to influence or control the management of the organization:

- a. Names;
- b. Business addresses;
- c. Residence addresses; and
- d. Titles;

(17) If a business trust the following information about the trustee:

- a. Names;
- b. Business addresses;
- c. Residence addresses; and
- d. Titles;

(18) The license number of the bonded dealer license issued by the New Hampshire department of safety.

(19) A statement as to whether the applicant or any of its owners, directors, partners, senior officers, or if a limited liability company, the applicant's owners, members or managers have ever been convicted of a felony.

(20) If the answer to (19) above is affirmative, the following details:

- a. Dates;

- b. Location;
- c. Docket number;
- d. Nature of crime; and
- e. Penalties;

(21) A statement as to whether the applicant charges an administration fee in excess of documentary fees in connection with arranging financing for motor vehicle purchasers;

(22) If the response to (21) above is affirmative, the amount of fees charged;

(23) A statement as to whether the applicant sells or offers motor vehicle warranties, mechanical breakdown insurance, extended service agreements, product warranties, or credit life or disability insurance policies;

(24) If the response to (23) above is affirmative, a list of the programs and products available;

(25) A list of correspondent banks, or other correspondent lenders and assignees or both, including names, addresses, and telephone numbers;

(26) A statement as to how a loan or lease application is processed by the applicant after a customer has completed it; and

(27) A statement as to whether the applicant both sells and finances motor vehicles.

(c) Form NHBD-12 shall include an affirmation under oath by the individual completing the application that:

(1) He or she has examined the statements made in the application, including statements made in any accompanying papers;

(2) To the best of his or her knowledge and belief, the statements under (1) above are true, correct, and complete; and

(3) He or she are duly authorized to execute the affirmation;

(d) The affirmation statement under (c) above shall include:

(1) The date;

- (2) The applicant's name;
- (3) The signature of:
  - a. The applicant, if applicant is a sole proprietorship;
  - b. A general partner, if applicant is a partnership;
  - c. An authorized officer, if applicant is a corporation; or
  - d. An authorized representative, if applicant is another type of business entity;
- (4) The title of the individual signing the affirmation; and
- (5) An acknowledgment completed by a justice of the peace or notary public.

Ban 1003.02 Form NHBD-14, Sales Finance Company License Application.

- (a) Each applicant for a sales finance company license shall complete Form NHBD-14.
- (b) Each sales finance company applicants shall provide:
  - (1) A statement of whether the application is a new application or a renewal application;
  - (2) If application is a renewal application, the prior year's license number;
  - (3) Name of applicant;
  - (4) A statement as to whether the applicant will do business under a trade name;
  - (5) If the answer under (4) above is affirmative, the trade name and a copy of the trade name registration issued by the New Hampshire secretary of state;
  - (6) Applicant's federal tax identification number;
  - (7) The following information about the applicant's principal place of business:
    - a. Street address;



- b. Mailing address;
- c. Telephone number; and
- d. Fax number, if the applicant has one;

(8) The following information about all New Hampshire branch offices specifying for each:

- a. Street address;
- b. Mailing address;
- c. Name of manager;
- d. Direct telephone number; and
- e. Fax number, if the applicant has one;

(9) The following information about the applicant's president, chief executive officer, senior partner, or, if a limited liability company, the applicant's owners, members and managers

- a. Name;
- b. Title;
- c. Business address;
- d. Mailing address;
- e. E-mail address; and
- f. Direct access telephone number;

(10) The applicant's world wide web address, if applicable;

(11) Original \$25,000 surety bond or original continuation certificate with either containing original signatures;

(12) The name and telephone number of the insurance agent issuing the bond under (11) above;

(13) A statement of the applicant's business form as either:

- a. A corporation;
- b. A sole proprietorship;
- c. A partnership;
- d. A limited liability company; or
- e. Other business entity;

(14) If a corporation, the following:

- a. Date of incorporation;
- b. State of incorporation; and
- c. A copy of certificate of incorporation issued by state listed under (14) b. above;

(15) If the corporation is not a New Hampshire corporation, a copy of certificate of registration as a foreign corporation issued by the New Hampshire secretary of state;

(16) If applicant's principal place of business is not in New Hampshire, the following information about its New Hampshire agent:

- a. Name of agent;
- b. Telephone number;
- c. Street address of agent; and
- d. Mailing address of agent;

(17) If a corporation, the names, business addresses, residence addresses, and titles for each of the following:

- a. Shareholders of 10% or more of the applicant's stock;
- b. Senior officers; and
- c. Directors;

- (18) If a general partnership, the name, business address, residence address, title and percentage of ownership for each general partner;
- (19) If a limited partnership, the name, business address, residence address, and title and percentage of ownership for each limited partner;
- (20) If a limited liability company, the name, business address, residence address, titles and percentage of ownership for each owner member and manager;
- (21) If a business trust, the name, business address, residence address, title and percentage of ownership for each trustee;
- (22) If not a publicly traded corporation or a subsidiary of a publicly traded corporation, resumes or similar documents showing the lending or loan brokering experience of the applicant and the applicant's officers, senior employees and managers;
- (23) List of all current lending, leasing or loan brokering licenses issued by any other state, stating for each license held the following:
  - a. Name of state;
  - b. License type;
  - c. License number; and
  - d. Expiration date;
- (24) A statement as to whether the applicant or any of its owners, directors, partners, members, or senior officers have ever had a lending, leasing or loan brokering license suspended, revoked, or denied by this or any other state, or been the subject of any formal disciplinary proceeding;
- (25) If the answer to (24) above is affirmative, full details on a separate sheet;
- (26) A statement as to whether the applicant or any of its owners, directors, partners, senior officers, members or managers have ever been convicted of a felony;
- (27) If the answer to (26) above is affirmative, the following details:
  - a. Dates;
  - b. Location;

- c. Docket number;
- d. Nature of crime; and
- e. Penalties;

(28) A compiled, reviewed or audited set of financial statements that:

- a. Are prepared by a public accountant or certified public accountant;
- b. Shall include, at a minimum, for the most recent quarter:
  - 1. A balance sheet;
  - 2. A cash flow statement; and
  - 3. An income statement;

(29) For individuals, sole proprietors, partnerships, limited liability companies, and closely held corporations less than 20 shareholders, copies of their most recent federal income tax returns;

(30) For publicly traded companies and wholly owned subsidiaries of publicly traded corporations, copies of their most recent Securities and Exchange Commission 10K and 10Q statements, or those of their parent corporation, in-lieu-of the requirements of (29) above;

(31) A statement as to how loans and leases are funded;

(32) A statement of the name(s) in which loans and leases are closed;

(33) For each third party servicer, if New Hampshire loans are serviced by third parties, the following:

- a. Name of the servicer;
- b. Servicer's mailing and street address;
- c. Servicer's telephone number; and
- d. Name and title of a senior officer;

(34) A statement of whether the applicant both sells and finances the sales of motor vehicles;

(35) List of the names, street addresses, and telephone numbers of those New Hampshire motor vehicle dealers:

- a. Who forward loan and or lease credit applications to the applicant for underwriting or approval;
- b. From whom the applicant purchases closed motor vehicle loan and or lease;
- c. From whom the applicant accepts assignments of motor vehicle loan and or lease; or
- d. To whom the applicant provides the funds for the closing of motor vehicle loan and or lease;

(36) A statement as to whether the applicant sells or funds product warranties, motor vehicle warranties, mechanical breakdown insurance, or extended service contracts;

(37) If the response to (36) above is affirmative, a copy of approval of any such warranty or contract issued by the New Hampshire insurance department;

(38) For a contact person who is responsible for handling consumer complaints, the following information:

- a. Name;
- b. Title;
- c. Mailing address;
- d. Direct telephone number;
- e. Fax number; and
- f. E-mail address;

(39) Copies of retail installment contract forms used; and

(40) For the person completing Form NHBD-14, the following information:

- a. Name;
- b. Title; and

c. Direct telephone number;

(c) Form NHBD-14 shall include an affirmation under oath by the individual signing the application that:

(1) They have examined the statements made in the application, including statements made in any accompanying papers;

(2) To the best of their knowledge and belief, the statements under (c)(1) above are true, correct, and complete; and

(3) They are duly authorized to execute the affirmation;

(d) The affirmation statement under (c) above shall include:

(1) The date;

(2) The applicant's name;

(3) The signature of:

a. The applicant, if applicant is a sole proprietorship;

b. A general partner, if applicant is a partnership;

c. An authorized officer, if applicant is a corporation; or

d. An authorized representative, if applicant is another type of business entity;

(4) The title of the individual signing the affirmation; and

(5) An acknowledgment completed by a justice of the peace or notary public.

Ban 1003.03 Other Required Application Forms.

(a) Each sales finance company applicant who applies as an individual and each senior officer, director, partner, trustee, member, and owner of 10% or more of a sales finance company applicant shall complete and submit:

(1) Form NHBD-4, "Authorization Release Form for Credit Report and Criminal Background Check", as described in Ban 2410.04;

(2) Form NHBD-6, "Personal Disclosure Statement", as described in Ban 2410.02; and

(3) Form NHBD-7, "Personal Financial Questionnaire," as described in Ban 2410.03.

(b) Each retail seller applicant who applies as an individual and each senior officer, director, partner, trustee, member, or owner of 10% or more of retail seller applicant shall complete and submit Form NHBD-4, "Authorization Release Form for Credit Report and Criminal Background Check", as described in Ban 2410.01, except that retail sellers shall not be required to authorize a credit report check.

(c) In lieu of the requirements of (a) and (b) above, publicly traded companies and their subsidiaries may submit copies of their or their parent corporation's most recent Securities and Exchange Commission 10K and 10Q statements.

Ban 1003.04 Form NHBD-15, Sales Finance Company Annual Report.

(a) Each sales finance company licensee shall file a completed Form NHBD-15 with the bank commissioner in accordance with RSA 361-A:2-b.

(b) Form NHBD-15 shall be available from the office of the bank commissioner.

(c) A licensee shall provide the following information on Form NHBD-15:

- (1) Name of the licensee;
- (2) The license number(s) for the reporting period;
- (3) Trade name of business, if any;
- (4) The address of the principal place of business;
- (5) Total number of offices included in the information reported;
- (6) For the person completing the form, the person's:
  - a. Name;
  - b. Title;
  - c. Direct line telephone number; and
  - d. Business address;

(7) On Schedule A of Form NHBD-15, a statement of the number and dollar volume of:

- a. New Hampshire retail installment contracts funded during the reporting year;
- b. New Hampshire retail installment contracts purchased during the reporting year; and
- c. New Hampshire leases booked during the reporting year.

(d) An officer of the licensee shall sign a statement that to the best of the officer's knowledge and belief the statements contained in the annual report, including the accompanying schedule and statements, if any, are true and correct. The signature of the officer shall be acknowledged before a notary public or justice of the peace.

#### PART Ban 1004 LICENSING

Ban 1004.01 License Fees. License fees paid by an applicant shall be non-refundable.

Ban 1004.02 Application Acceptance.

- (a) Complete applications shall be accepted for processing by the department.
- (b) An application shall be deemed complete if all of the following are filed with the department:

- (1) A department application form that:
  - a. Contains all required information;
  - b. Contains an authorized signature that is properly acknowledged before a notary public or justice of the peace; and
  - c. Includes all required attachments or supplemental information; and
- (2) A fee of \$350 in the form of a check or money order made payable to the state of New Hampshire.

Ban 1004.03 Changes to Application Information; Changes in Ownership.

- (a) A sales finance company shall give written notice to the bank commissioner at least 30 days in advance of any changes in information required by Ban 1003.02(b)(17) pertaining to the New Hampshire agent designated on Form NHBD-14.



(b) A retail seller or sales finance licensee shall give written notice to the bank commissioner within 10 days after a change in the executive officer designated on Form NHBD-14 or NHBD-12.

(c) A retail seller or sales finance licensee shall give written notice to the bank commissioner at least 30 days in advance of a change in ownership from that designated on Form NHBD-14 or NHBD-12.

(d) For a change under (b) or (c) above, a retail seller or sales finance licensee shall provide the following for each new senior officer, member of a limited liability company, or owner:

- (1) Name;
- (2) Title;
- (3) Business address;
- (4) Direct telephone number; and
- (5) Fax number.
- (6) Completed forms in accordance with Ban 1003.03.

(e) A retail seller or sales finance licensee shall give written notice to the bank commissioner at least 30 days in advance of:

- (1) Changes in address or telephone numbers for its principal place of business or other licensed offices;
- (2) Change of business name; or
- (3) Change of ownership.

(f) Notice of a change of business name under (e)(2) shall include copies of documentation filed with the secretary of state having jurisdiction over the business and copies of certificates issued by the appropriate secretary of state reflecting the name change and if the corporation is foreign, copies of credit issued by the New Hampshire Secretary of State for foreign corporations under new names.

Ban 1004.04 Licensing Decisions.

(a) Within 120 days of acceptance of an application, the department shall either issue a license or deny the application.

(b) Licenses shall be issued to those retail seller applicants who submit complete applications and whose officers have not been convicted of felonies involving dishonesty, fraud, deception or theft within the past 5 years. Licenses shall be issued to sales finance company applicants who submit complete applications, whose officers have not been convicted of felonies involving dishonesty, fraud, deception or theft within the past 5 years and demonstrate financial integrity.

(c) If a license application is denied, the department shall briefly state the reasons for denial in a written notice to the applicant.

(d) A license applicant whose application is denied shall have 15 calendar days from the date of a written notice of decision by the department to file a written request for a hearing. Upon receipt of a timely written request, the department shall commence an adjudicative proceeding in accordance with RSA 541-A:31, I. If the applicant does not file a timely written request, the department's decision to deny the application shall be final.

Ban 1004.05 Display of License.

(a) Each retail seller of motor vehicles sold under the provisions of RSA 361-A shall conspicuously display a current retail seller license in the place of business, or, in the case of branch offices, at the branch business location.

(b) Every purchaser of motor vehicle retail installment contracts originated under the provisions of RSA 361-A shall hold a current sales finance company license in its business name and display such license in its office, or, in the case of branch offices, at the branch business location.

(c) A person making direct loans to purchasers of motor vehicles shall hold a current sales finance company license in its business name and display such license in its office, or, in the case of branch offices, at the branch business location.

Ban 1004.06 Annual Report Requirements. A penalty assessed in accordance with RSA 361-A:2-b,III shall accrue as follows:

(a) From February 1 of the year in which the report is required to be filed to:

(1) The date the annual report is postmarked, if mailed; or

(2) The date received by the department, if hand delivered.

(b) If a report is not filed, from February 1 until December 31 of the year the report was required to be filed.

PART Ban 1005 BALLOON PAYMENT LOANS

Statutory Authority: RSA 361-A:8-a

Ban 1005.01 Balloon Contract Disclosures.

(a) A sales finance company or retail seller that receives an application for a balloon payment loan shall give the consumer a written disclosure.

(b) The written disclosure required by Ban 1005.01(a) shall be printed in at least 10 point bold type in the following form:

"BALLOON CONTRACT DISCLOSURE

(The lender and dealer are required by NH RSA 361-A to provide you with a copy of this disclosure at the time you apply for a balloon loan or when a balloon loan is offered in lieu of the type of loan you originally applied for.)

The loan for which you have applied contains a [balloon] provision for a balloon payment. This means that even if you make all payments in full and on time, the loan will not be paid when you make your scheduled payment. A single balloon payment of \$\_\_\_\_\_ (insert balloon payment amount) will be due and payable in full on \_\_\_\_\_ (insert scheduled balloon payment date), if all payments are made on time and in accordance with the loan terms, and if the interest rate does not change during the entire term of the loan. The amount of the balloon payment may be more if any of your payments are for less than the scheduled payment amount or paid late. The balloon payment may be less if any of your payments were made early, or if you pay more than the regularly scheduled payment amount.

When the balloon payment is due, the law allows you to return the vehicle. If you return the vehicle you will not be responsible for the balloon payment. Under the law your lender is permitted to charge you a disposition fee, an excess mileage fee and or an excess wear and tear fee when you return the vehicle, but only if these fees are permitted by the loan contract. If you return the vehicle you may also be required to pay accumulated interest or late payment fees that were not paid during the term of the loan. Ask for a copy of the loan contract and read it to see if it allows the lender to charge any of these fees.

If you decide to keep the vehicle you will have to make the balloon payment. To do this you may pay cash, obtain a loan from another lender, or refinance with the original lender. If you refinance with the original lender, the lender may not charge a higher rate of interest than

that on the original loan, unless your credit history would disqualify you under the credit criteria in place at the time the original loan was made.

You may have other rights. Ask your lender or dealer for a copy of the law. **READ THE LOAN CONTRACT CAREFULLY BEFORE SIGNING.**

This disclosure is not valid unless signed and dated by all borrowers and lender's authorized representative.

Borrower(s):

Lender:

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date"

**Ban 1005.02 Balloon Payment Refinancing Disclosures.**

(a) In addition to the disclosures contained in Ban 1005.01, a sales finance company or retail seller that receives an application for a balloon payment loan shall give the consumer a written disclosure with the following information:

- (1) A statement that the balloon retail installment contract is required to contain a provision that affords retail buyers the option to refinance the balloon payment at an annual percentage rate no greater than the annual percentage rate under the balloon contract;
- (2) A statement that creditors shall be entitled to deny a refinance request if the retail buyer would not qualify for a loan under the terms offered in the original loan contract, based on credit history or other credit underwriting standards used in making the original balloon payment; and
- (3) A statement that, upon the buyer's request, the creditor shall provide in writing an estimate of the monthly payment amount for a refinanced balloon payment.

(b) The written disclosure required by Ban 1005.02(a) shall be printed in at least 12 point bold type in the following form:

"BALLOON PAYMENT REFINANCING DISCLOSURE

The balloon loan you have applied for must contain a provision that gives you the option to refinance the balloon payment when it is due, at an annual percentage rate no greater than the annual percentage rate under the balloon contract. However the lender can deny a refinance request if you do not qualify for refinancing, based on credit history or other credit underwriting standards established by written policy of the creditor.

Prior to entering into a balloon contract, you are entitled, upon request, to receive a written estimate of the monthly payment amount for a balloon payment refinancing in accordance with the creditor's existing refinance programs.

Borrower(s):

Lender:

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date"

Ban 1005.03 Disclosure Requirements.

(a) Disclosures under Ban 1005.01 and Ban 1005.02 shall be provided to borrowers as follows:

- (1) At or before the time a sales finance company or retail seller accepts a written loan application for a loan containing a balloon provision; or
- (2) At the time a loan commitment letter or counteroffer is submitted to the borrower, if the sales finance company's or retail seller's offer to lend is contingent upon entering into a balloon note.

(b) Disclosures under Ban 1005.01(a) and Ban 1005.02(a) above shall:

- (1) Be signed and dated by the borrowers and the lender;
- (2) Be retained with the loan file by the lender; and
- (3) Include a duplicate original for the borrowers at the time of signing.

Ban 1005.04 Written Offer and/or Acceptance Required.

(a) A sales finance company or retail seller shall provide borrowers with written notification that a loan has been approved or denied, or that the sales finance company or retail seller will fund a loan on terms that differ from those requested in the loan application.

(b) The notice for (a) above shall be provided simultaneous with such approval, denial, or counteroffer.

(c) The notice for (a) above shall be signed and dated by the borrower and retained in the loan file by the sales finance company or retail seller.

## APPENDIX

### Proposed amendments to Ban 1000

<u>Provision of Proposed Rule</u>	<u>State or Federal Regulation the Rule is Intended to Implement</u>
Ban 1001 & 1002	RSA 361-A:1
Ban 1003.01	RSA 361-A:2 I, II, III (a), (c) & IV
Ban 1003.02	RSA 361-A:2 I, II, II-a, III (b) & (c)
Ban 1003.03	RSA 361-A:2 II
Ban 1003.04	RSA 361-A:2-b
Ban 1004.01	RSA 361-A:2 III
Ban 1004.02	RSA 361-A:2 II
Ban 1004.03	RSA 361-A:2 IV
Ban 1004.04	RSA 361-A:2 V (a) & (b); RSA 541-A :29 & 541-A:31
Ban 1004.05	RSA 361-A:2 IV
Ban 1004.06	RSA 361-A:2-b
Ban 1005	RSA 361-A:8-a